

2005-2006 Approved Citizens' Budget



CITY OF COLLEGE STATION

HEART OF THE RESEARCH VALLEY

City of College Station, Texas

Approved Citizens' Budget for Fiscal Year 2006

October 1, 2005 to September 30, 2006

Principal City Officials, October 2005

Elected Officials

Mayor..... Ron Silvia
Council Members..... John Happ, Mayor Pro-Tem
Ben White, Place 1
Ron Gay, Place 2
Susan Lancaster, Place 4
Chris Scotti, Place 5
Nancy Berry, Place 6

City Administration

Interim City Manager..... Glenn Brown
Director of Finance and Strategic Planning..... Jeff Kersten
Director of Public Utilities..... John C. Woody
Chief of Police Michael Clancey
Chief of Fire..... Robert B. Alley
Director of Public Works..... Mark Smith
Director of Parks and Recreation..... Stephen C. Beachy
Director of Planning and Development Services..... Joey Dunn
Director of the Office of Technology and Information Services..... Olivia Burnside
Director of Public Communications and Marketing..... Rebecca Nugent
Director of Human Resources..... Julie O'Connell
Director of Economic Development Kim Foutz
City Attorney Harvey Cargill, Jr.
City Secretary Connie L. Hooks



October 1, 2005

Honorable Mayor and City Council:

In accordance with the City Charter, I am pleased to present the City of College Station Approved Fiscal Year (FY) 2005-2006 Annual Budget totaling \$189,129,144 for all funds. Of this amount, \$138,654,579 is approved for the operations and maintenance budget, and \$50,474,565 is approved for capital projects. The capital projects appropriations are for the many infrastructure projects either underway or planned to be underway in 2005-2006.

Key Decision Points

The approved budget has a number of key decisions the City Council considered as the budget was reviewed.

- ▶ **Property Tax Rate:** The overall property (ad valorem) tax rate approved is 43.94 cents per \$100 assessed valuation. The tax rate was reduced from 46.40 cents per \$100 valuation. The approved tax rate provides the resources needed to fund the FY06 approved budget.
- ▶ **Utility Rates and User Fees:** The approved budget includes a water rate increase of 4%. Also included is an 8% rate increase in the Electric Fund. These rate increases are needed to meet the operating, capital and debt service coverage requirements in the Funds, and also to ensure continued high quality service is provided as the community continues to grow. There is not a wastewater rate increase in FY06. A residential sanitation rate increase of 8% and a commercial sanitation rate increase of 7% is also included. These increases are necessary to maintain residential and commercial sanitation services of a growing community.
- ▶ **Outside Agencies:** During the Budget process, Council approved a new Comprehensive Outside Agency Policy that governs the funding process for agencies other than those eligible for Community Development Block Grants. The scope of this policy is to ensure that all agencies have a standardized process for application, review, monitoring, and reporting.

Budget Goal

The key goal in the preparation of the FY 2005-2006 budget is to provide excellence in service delivery at a reasonable cost. Below, some of the key items from the FY 2005-2006 budget are outlined. They are broken into the categories of Core Services, Neighborhoods, Collaboration, Growth Management, and Economic Development. A more detailed explanation of resources allocated can be found in the Executive and Departmental Summaries of the budget document.

Core Services

Core services includes police, fire, and emergency management services; streets, traffic and drainage services; and public utilities, including electric, water, wastewater and sanitation services. It also includes the capital projects for each of these areas. The FY06 budget includes additional resources for public safety, including funds for nine new police officers and five full-time Firefighter/Paramedics. \$1.2 million in additional resources is available in the General Fund Public Works budget, allowing Public Works to continue the overlay of recently annexed streets and maintain existing infrastructure. Additional resources in the Parks and Recreation Department will provide funds for repairs and enhancements to existing park facilities, as well as new facilities that will come online in FY06.

Neighborhoods

A number of resources are available in the FY06 budget that will directly benefit College Station neighborhoods. \$3.5 million is available in the Community Development fund to make improvements to low

to moderate-income areas and provide funds for public agencies that offer programs that benefit low to moderate-income residents. The Emergency Management division has funds to purchase NOAA weather radios for distribution to citizens. Included in the Planning and Development Services budget are funds for a Mosquito Abatement grant program, a Neighborhood Gateway Grant program, and funds for bicycle education and awareness materials.

Collaboration

The City of College Station continues to cooperate with other governmental entities. There are funds budgeted in the BVSWMMA budget for the Brazos Valley Council of Government's regional park project in Grimes County. An internship program in the City Manager's office is offered to a Texas A&M University student. Resources for the Larry J. Ringer Library, a joint operation with the City of Bryan, are included in the FY06 budget.

Growth Management

The Planning and Development Services department has additional resources budgeted to help manage growth the City of College Station has experienced over the last several years. These resources include funds to review the Comprehensive Plan and purchase software to streamline and help manage the building permit process.

Economic Development

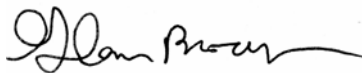
To encourage further economic development in the City, resources for Economic Development initiatives are included in the budget. This includes the capital resources necessary to build a second business park, continue exploring Hotel/Conference Center possibilities, and for additional projects in the Wolf Pen Creek TIF that will encourage further development in the district.

Conclusion

- ▶ Developing the budget is a team effort that requires the participation of citizens, City Council, and City staff. The budget was reviewed with Council by fund over a series of budget workshops held in August and September. Staff worked with Council to review the budget and incorporate changes that meet the strategic priorities outlined by Council. Changes Council made to the proposed budget have been incorporated in the approved budget document.

In closing, I would like to thank Jeff Kersten, Irene Jett, Bryan Guinn, Courtney Kennedy, Susan Manna, and Nikki Williams in the Finance Department and the Office of Budget and Strategic Planning for the hard work and long hours they have put into this process. I would also like to thank the Management Team and other City employees that worked on the budget. Thanks also to the City Council for providing the leadership and direction to make the decisions that will move College Station forward in the next year and in the years to come.

Sincerely,



Glenn Brown
Interim City Manager

City of College Station, Texas

Summary of Revenues and Expenditures

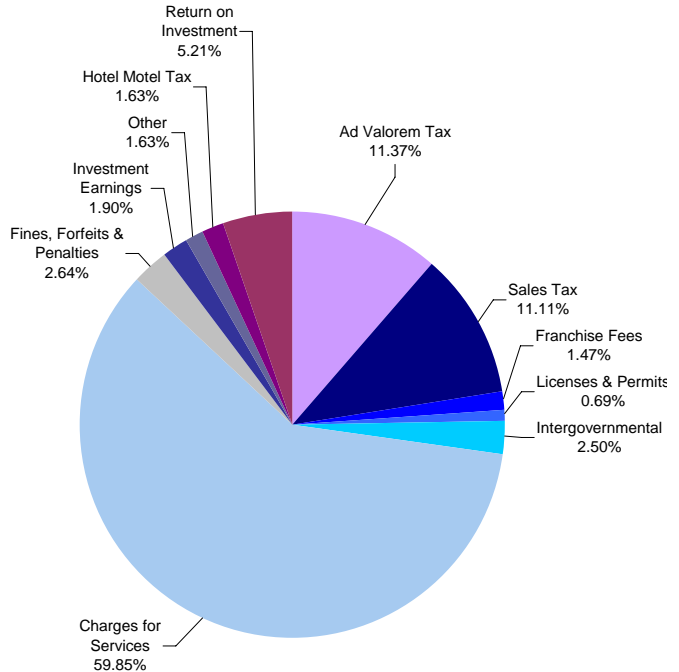
REVENUES:

Ad Valorem Tax	\$ 16,786,259
Sales Tax	16,410,000
Franchise Fees	2,164,000
Licenses & Permits	1,026,100
Intergovernmental	3,684,251
Charges for Services	88,375,440
Fines, Forfeits & Penalties	3,905,300
Investment Earnings	2,809,271
Other	2,399,600
Hotel Motel Tax	2,406,000
Return on Investment	7,693,000
Total Revenues	147,659,221

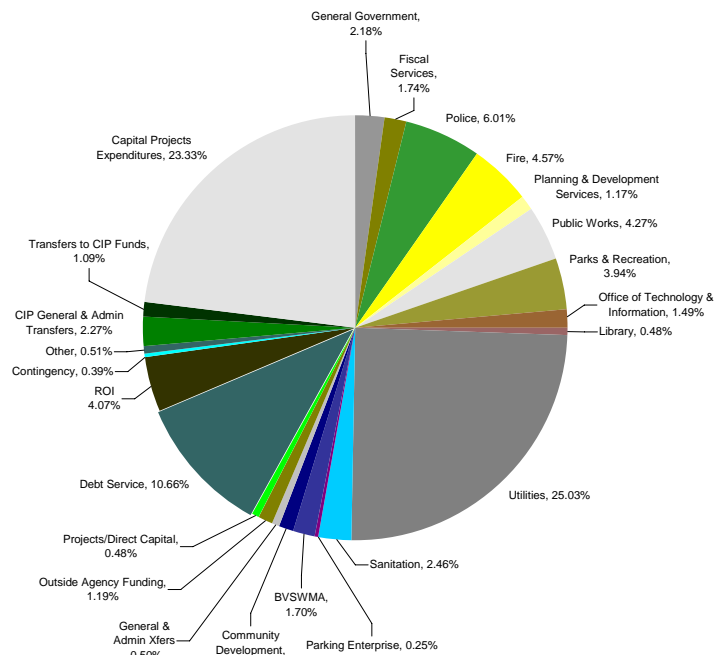
EXPENDITURES:

General Government	\$ 4,118,040
Fiscal Services	3,283,555
Police	11,369,971
Fire	8,647,411
Planning & Development Services	2,214,867
Public Works	8,084,920
Parks & Recreation	7,446,091
Office of Technology & Information	2,825,925
Library	906,124
Utilities	47,331,046
Sanitation	4,650,009
Parking Enterprise	467,061
BVSWMA	3,221,967
Community Development	2,324,934
General & Admin Transfers	(948,708)
Outside Agency Funding	2,243,226
Projects/Direct Capital	913,137
Debt Service	20,165,102
Return on Investment	7,693,000
Contingency	738,133
Internal Services	-
Other	958,768
Subtotal of O&M Expenditures	\$ 138,654,579
Transfers to CIP Funds	4,290,000
Total O&M Expenditures & Xfers to CIP	\$ 142,944,579
CIP General & Admin Transfers	2,065,648
Transfers to CIP Funds	-
Capital Projects Expenditures	44,118,917
Total Capital Expenditures	46,184,565
TOTAL EXPENDITURES	\$ 189,129,144

Total Revenues: \$147,659,221



Total Expenditures: \$189,129,144



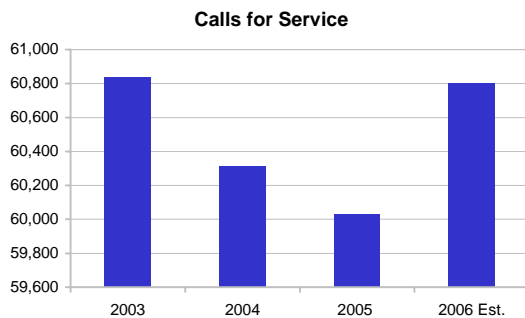
Budget Overview

The text below focuses on the various City departments and functions provided by each department. Changes are discussed and basic functions of City departments are identified.

Governmental Funds

Police Department **\$11,369,971**

The Police Department provides a number of services that help to keep the community safe. Among the services provided are 1) police patrol with certified police officers who are assigned to specific areas of the city and who are equipped with police vehicles and all necessary equipment; 2) criminal investigation for the investigation of reported crimes; 3) animal control; 4) communications support for officers on the street and short term jail/detention facilities that reduce the processing time of arrests; and 5) a professional standards division that serves a support and training function for the Department.



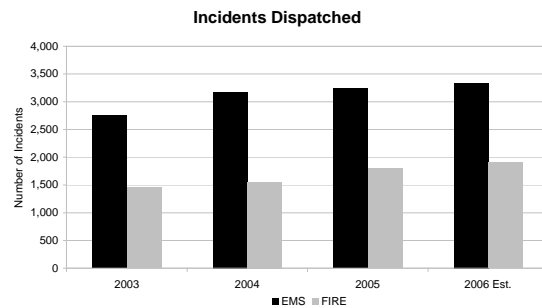
The above graph illustrates an increase in calls for service. A “Call for Service” is defined as any event or situation, reported by a citizen that requires a response from the Police Department.

Four service level adjustments (SLAs) totaling \$479,930 have been included in the FY06 CSPD operating budget. An additional nine certified police officers are included in the Police Department’s budget for FY06. These positions will be phased-in over the course of the fiscal year in order to reduce the initial financial impact of the request. The total of this SLA for FY06 is \$347,035. The budget also includes \$50,000 to fund an increase to the department’s overtime budget. The third SLA, totaling \$60,000, provides funds for the department to outsource the document imaging of reports generated prior to the implementation of the document imaging program in 2002. The final SLA is for the purchase and installation of an evidence bar-coding system. This SLA totals \$22,895 and provides for the electronic processing of evidence.

Fire Department **\$8,647,411**

The Fire Department provides services to College Station, City of Bryan—through an automatic aid program—and to rural areas around College Station through mutual aid agreements. The Fire Department operates out of four stations located throughout the City. Another fire station is under construction and is scheduled to open in the near future.

The basic services of the Fire Department are 1) fire response; 2) emergency medical response; 3) fire prevention services, including commercial fire safety inspections and fire prevention training at local schools and various functions; 4) code enforcement activities performed by the community enhancement action center; and 5) hazardous material response.



The above graph illustrates incidents responded to by the Fire Department over the last three years.

There are four service level adjustments totaling \$479,355 that are approved for FY06. In FY05, a 100 foot elevated ladder truck was purchased to be delivered in early 2006. The Fire Department is proposing to add 15 firefighter/paramedics over the next three fiscal years. The staffing changes would allow a dedicated ladder company to be reinstated in FY08. \$150,480 for five firefighter/paramedics is approved in the FY06 to begin the staffing process. The second SLA totals \$155,500 and will be used to purchase equipment for the ladder truck. A third SLA totals \$167,900 and will allow the department to meet criteria set forth in the health and wellness program approved by City Council in FY05. A FEMA grant would provide the majority of funds needed for this SLA. If the FEMA grant is not received, funds from this SLA will not be expended. Finally, an SLA for \$5,475 in on-call pay is for the fire prevention division.

Public Works

\$8,084,920

The Public Works Department maintains streets, drainage and greenways, and the City's traffic control system. It is also responsible for refuse collection, capital project engineering and construction, as well as fleet and facilities maintenance. Also included is the budget for the Brazos Valley Solid Waste Management Agency.

The **Facilities Maintenance Division** provides support services to City departments through the maintenance of City facilities. This entails all City buildings including heating, ventilation and cooling systems. Additionally, Facilities Maintenance performs some minor building construction and remodeling activities. The Division also oversees the use of facility repair funds to ensure that facilities and equipment are repaired and replaced in a timely manner.

The **Street Division** of the Public Works Department strives to ensure that the street system within the City of College Station is properly maintained. This is done through a number of programs, including a street rehabilitation program that addresses street repair before more expensive reconstruction measures are needed. The Streets Division also coordinates with the Engineering Division to plan and develop major street capital projects that involve rebuilding roadways that need upgrades.

The Street Division provides routine pothole patching and other maintenance services. The effectiveness of this service is measured by determining whether 95% of the streets in the City have a grade of "C" or better, using the Pavement Management System.

The Streets FY06 Budget includes four service level adjustment totaling \$992,950. \$624,000 is to fund overlays and rehabilitations for the following streets: Rock Prairie from Greens Prairie to the East City limit, Meadowland from Hensel to University, Brentwood from Texas Avenue to Anderson, and Holleman from Winding to Wellborn. The other SLAs are \$75,000 for an increase in the cost of hot-mix asphalt; \$93,950 is for the purchase of a medium sized asphalt paver; and \$200,000 to overlay annexed streets.

Drainage issues have been critical in the last several years in College Station. Drainage issues impact health and public safety, as well as transportation and mobility. Drainage service levels provide a drainage maintenance program that keeps the storm carrying

capacity of the system adequate in College Station. Right of way mowing and creek cleaning are the primary ways this service is provided.

There are three SLAs in the Drainage Division of Public Works. The first service level adjustment is for \$89,550 to add drainage infrastructure to the GIS database system. This SLA includes funds for a full time employee and vehicle. The second SLA is for \$19,500 for a 4x4 utility vehicle for greenway maintenance and surveying. Finally, the third SLA is for \$35,000 to upgrade the boom mower that is scheduled for replacement in FY06.

The **traffic signal and sign system** in College Station serves as an integral traffic flow control mechanism throughout the City. The system is critical during peak traffic times, such as during Texas A&M football season. The Traffic Signal Division is responsible for maintaining and repairing traffic signals and school warning devices in order to provide safe and efficient movement of vehicles and pedestrians.

Two service level adjustments totaling \$58,475 are included in the budget for Traffic Signs, Markings and Signals. Funds in the amount of \$13,475 are approved for a pavement striping machine and trailer and \$45,000 is approved for traffic system upgrades.

The Department of Public Works **Engineering Division** is responsible for the administration of the City's capital improvement plan. This includes the building of projects approved as part of bond elections such as streets, fire stations, libraries, and others. Capital projects for the public utilities, such as electric, water, wastewater, and drainage projects are also included. Engineering has one SLA for \$11,400 to be used for the purchase of traffic analysis software.

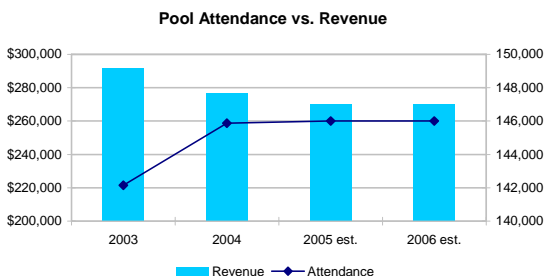
The Public Works **Fleet Services Division** manages the vehicle and equipment fleet, and also performs preventive maintenance and vehicle repair. The City of College Station maintains a fleet of vehicles and heavy equipment to provide services to the citizens of College Station; nearly every City department depends on having a reliable fleet to provide service. Some of these services include Police and Fire response, Solid Waste Collection, Public Utilities, Building Inspection, and Parks.

Parks & Recreation

\$7,446,091

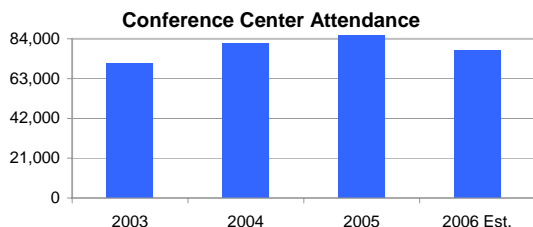
The Parks and Recreation Department is responsible for College Station park facilities and recreation

programs. Among the services provided are athletics, recreation and instruction programs for youth and adults. Also provided are programs and special events at the Wolf Pen Creek Amphitheater and other park locations throughout the City. The Parks Department operates a number of special facilities including three City-owned swimming pools and the CSISD natatorium.



The above graph illustrates the revenue generated by the pools and the leveling off of attendance due to facility capacity limitations.

The Conference Center is operated to provide meeting space for various groups and organizations. The Lincoln Center is a community center that provides positive programming and serves as a satellite center for social services. The Xtra Education program provides citizens of all ages the opportunity to enhance their quality of life through various continuing education programs.



The preceding graph illustrates the number of Conference Center customers from 2003 to 2006.

There are six service level adjustments (SLAs) in the Parks and Recreation FY06 budget. The total amount of SLAs is \$239,098.

In the **Parks Special Facilities Division**, one service level adjustment totals \$3,000 for mandatory Red Cross membership fees has been approved. These fees are required in order for the American Red Cross to underwrite and certify the youth Learn to Swim program. The fees will be recouped via participant fees. Another SLA in the amount of \$20,000 has been approved to fund increases in the temp/seasonal

account in order to support an increased Aquatics service demand.

The **Parks Operations Division** maintains park facilities through regular mowing and maintenance projects. Two SLAs have been approved for the Parks Operations Division. The first SLA is a request for \$57,498 to cover increased operational and maintenance costs. This SLA includes funding for an additional full time employee as well as a vehicle. The second request is an SLA in the amount of \$78,000 for the replacement of the lights at Lemontree Park softball field.

The **Forestry Division**, through horticultural and landscaping efforts, ensures that City property is maintained in an aesthetically pleasing manner. The City Cemetery is included in the property maintained by the Forestry Division.

Finally, \$30,600 is to fund furniture and equipment in the newly constructed office/dressing room at the Wolf Pen Creek Amphitheater. Hotel / Motel funds will be used to fund this SLA. Also, \$50,000 is approved to fund various repairs as submitted by the Parks department.

Larry J. Ringer Library **\$906,124**

The Library is overseen by OTIS. The City of Bryan provides staffing and the City of College Station provides operational funding. \$906,124 is budgeted in FY06 for library operations. There are two SLAs totaling \$125,994. One is for \$82,524 to pay for professional services remitted to the City of Bryan to operate the Library. The other is \$43,470 to pay for an additional Youth Services Librarian.

Planning and Development Services **\$2,214,867**

The Planning and Development Services Department provides oversight for new development in the City. Planning and Development Services works to reinforce compliance with zoning, subdivision, drainage and other ordinances. This ensures development in a manner consistent with policies established by City Council. This process includes planning and construction functions as well as development coordination activities. The Fire Department and Public Utilities Department are also involved in the planning and development process. In FY05, all of the City's engineering services were consolidated into a single division in the Public Works department.

Planning and Development Services has five service level adjustments (SLAs) for FY06 in the amount of \$116,080. The first SLA provides \$75,000 for a consultant to review the Comprehensive Plan. The second SLA for \$7,200 establishes a Mosquito Abatement Program Grant and is funded from the Drainage Fund. The third SLA for \$12,880 funds the purchase of the Building Permit Module for the Click 2 Gov software. The fourth SLA for \$6,000 funds the purchase and dissemination of bicycle awareness and educational material. Finally, the last SLA for \$15,000 is for a Neighborhood Gateway Grant program.

Office of Technology & Information Services **\$2,825,925**

The Office of Technology and Information Services (OTIS) implements and maintains the technology and computer based information systems used by all City Departments. It is also responsible for franchising, the City's print shop, the City mail system, and Utility Customer Service.

OTIS Administration oversees the other areas of the Department as well as manages the franchise agreements that the City has with telecommunication, cable, electric, water, and natural gas providers in the City. The Larry J. Ringer Library is also the responsibility of this area. The City of Bryan operates the Library under an interlocal agreement with all operational funding provided by the City of College Station.

The Information Technology division includes Management Information Services (MIS), Geographic Information Services (GIS), E-Government, and Communications Services. With the exception of Communications Services, these services are provided from General Fund revenues. The MIS division implements and supports computing platforms and applications for all City Departments, including Computer Aided Dispatch (911) for Public Safety and connectivity to the Internet. The GIS division is responsible for the coordination of all geographic data and its presentation to the public. The E-Government division is responsible for the City's website, interactive processes with citizens and the Intranet.

The OTIS General Fund divisions have eleven SLAs totaling \$116,377. Eight of the SLAs, totaling \$63,222, are for maintenance agreements for software that is utilized by a variety of departments throughout the City. An SLA in the amount of \$17,900 is to fund the replacement of two of the

computer room fire extinguishing systems (one is water and the other is Halon) with a computer-friendly fire extinguishing system. An SLA totaling \$29,780 has also been approved for an E-Government Technician. This position is to be funded starting April 1, 2006. Lastly, \$5,475 is approved for network analyst on-call pay.

Fiscal Services **\$3,283,555**

The Fiscal Services Department provides fiscal administration, accounting, purchasing, budgeting, and risk management services to the City. It also oversees the operations of Municipal Court.

Fiscal Services Administration handles cash and debt issues for the City while ensuring all funds are invested prudently. The **Accounting and Purchasing Divisions** work closely together to ensure that purchases are made and recorded according to established guidelines. The **Risk Management** function seeks to ensure that the City's exposure to physical and financial losses is minimized through programs addressing worker safety. **Municipal Court** collects fines and fees for the City. The **Office of Budget and Strategic Planning** prepares, monitors, and reviews the annual budget. The division coordinates the City's strategic planning process, which is closely tied to the City's budget. The division also provides management and organization review services to City departments.

The Fiscal Services Department has one SLA totaling \$51,037 for staff to operate metal detectors at the Municipal Court building. The funds will be provided from the Court Security Fee Fund.

General Government **\$4,118,040**

The General Government Department includes many of the administrative functions of the City.

The City Secretary Division is responsible for elections, records management, City Council support and other activities. The approved budget is \$378,831, and includes an SLA totaling \$31,648 for an additional fulltime secretary.

The City Manager Division is responsible for the day to day operations of the City, making recommendations on current and future issues to the City Council, and providing short and long-term direction to the organization. The budget is \$783,509. There are two approved SLAs in the amount of \$93,303. The first SLA for \$83,181 provides funds for an Internal Auditor that was recommended by City Council's enactment of the Stewardship

Enhancement Plan in FY05. The second SLA totals \$10,122 and will fund an internship in the City Manager's Office for a TAMU political science student.

Community Programs is an activity center in the City Manager's Office that is responsible for administering a number of programs including Teen Court and Citizens University. The Community Programs budget totals \$137,157. There are two approved SLAs in the amount of \$15,841. The first, for \$9,991, increases the Community Programs Assistant position from ½ time to ¾ time. The second SLA provides \$5,850 for the Decision Making for First Time Offenders grant.

The **Legal Division** provides legal services and support to City Council and City staff. Among the services provided by this office are legal advice, contract writing, and litigation. The Legal Office budget is \$759,934. There are two approved SLAs totaling \$13,704. The first SLA totals \$7,604 and upgrades the current ¾ time legal clerk to a full-time legal secretary. An additional \$6,100 is approved and increases funds for the WestLaw subscription service and adds funds to the Legal training account.

The **Economic Development Division** is responsible for coordinating economic development activities in College Station. The Economic Development FY06 operating budget is \$307,969.

The **Community Development Division** helps provide low cost housing and other public assistance through Community Development Block Grant funds from the federal government. These funds are used to assist low to moderate-income residents of College Station. Assistance is provided through housing services, public agency funding, public facility improvements, and economic development activities. The total Community Development FY06 budget is \$588,155.

The **Public Communications & Marketing Division** provides timely and factual information through the media and directly to citizens. The total FY06 budget is \$467,385.

The **Emergency Management Division** is responsible for coordinating emergency and disaster training, mitigation, preparedness, planning, response and recovery for the City. The FY06 budget is \$112,871. There are three approved SLAs for the division totaling \$13,950. Two of the SLAs will enhance training offered by the division by providing funds for an annual training luncheon (\$1,950), and

the other provides specialized training for public safety personnel (\$7,000). \$5,000 is approved to purchase 160 NOAA weather radios for distribution to the community.

The **Human Resources Division** assists in recruiting, hiring, and retaining qualified candidates for City positions. The division provides employee training and administers the compensation and benefits program. The approved budget for FY06 is \$582,229. This amount includes \$27,014 for two SLAs. The first SLA for \$20,000 provides funding to conduct a comprehensive review of the City's current pay plan. The pay plan was implemented in 2000, and pay plan reviews are typically conducted every five years. The second SLA is for employee access control name badges and totals \$7,014.

Other General Fund Expenditures \$775,726

There are a number of expenditures budgeted in the governmental funds that do not fall under the purview of any one department. The following is a list of miscellaneous expenditures within the governmental funds: \$457,093 for outside agency funding and \$318,633 for contingency and other charges.

Debt Service Fund \$11,381,338

The Debt Service Fund is used to account for ad valorem taxes collected to pay for authorized general government debt. The debt service portion of the ad valorem tax was approved at 24.98 cents per \$100 valuation. Based on the current forecast of the Debt Service Fund, it is anticipated that there is capacity for additional debt service beyond that which has been authorized.

Parks Xtra Education Fund \$99,105

The Parks Xtra Education Fund was established in FY96 and is a joint effort between the City of College Station and the College Station Independent School District to provide community based education programs. The FY06 Parks Xtra Education budget is \$99,105.

Economic Development Fund \$525,000

The City created an Economic Development Fund to account for resources and expenditures directed at providing incentives for businesses and industries that are planning to locate in College Station. This is different from the funding provided to the Economic Development Corporation, which is included in the Electric Fund Budget. Resources set aside for economic development purposes will be transferred

into this fund and remain in the fund until expended. The City has a number of potential and real prospects indicating a desire to locate in College Station. Resources in this fund will allow the City to meet these and future prospects. In FY06, \$525,000 will be available in this fund for economic development incentives and related expenditures.

**Court Security &
Court Technology Funds \$188,028**

In 1999 the City adopted two new Municipal Court fees as authorized by the State Legislature. The Court Security Fee is designed to pay for security related projects, and the Court Technology Fee is designed to pay for technology related projects at the Municipal Court building.

It is anticipated that the Court Security Fee will generate \$98,100 in revenues in FY06 and that the Court Technology Fee will generate \$121,400. These funds, along with existing fund balance from prior years, are to be appropriated for security and technology projects at the Municipal Court. This includes funding the bailiff position at the Court, and the maintenance agreements for court related computer technology. An SLA totaling \$51,037 is approved out of the Court Security fund to provide funds for staffing metal detectors that will be installed at the Municipal Court building in FY06.

Police Seizure Fund \$10,000

The Police Seizure fund accounts for revenues and expenditures related to property seized by College Station Police Department. Revenues are estimated to be \$3,700 and expenditures \$10,000.

Enterprise Funds

Electric Division \$51,369,909

The Electric Division is responsible for providing cost efficient and reliable electric service to the citizens, businesses and institutions in College Station. Reliable electric service is necessary to ensure continued prosperity of the City.

Water Division \$9,688,013

The City of College Station has the capacity to produce approximately 22 million gallons per day of potable water. The Water Division has developed high standards of reliability that assures customers' needs are met with a water supply that meets or exceeds all federal and state mandated standards. As a City enterprise, the full cost of service for water production, transmission and distribution is

recovered by charging customers for consumption on a per unit basis.

There are eight SLAs totaling \$244,530 in the Water Division budget. The first SLA is to provide funding for security system upgrades at the Utility Service Center. The cost of these upgrades will be split between the Water, Wastewater and Electric Utilities. The Water portion of the funding totals \$30,370. The second SLA is for \$36,000 and will provide funds for the costs associated with the addition of new wells. The third SLA, totaling \$71,974, is for the addition of a Line Locator position and service vehicle. The addition of this position will allow the Division to meet the growing demands resulting from increased construction. An additional \$51,561 is for the purchase of a trackhoe excavator to assist the Division in meeting workload demands. \$45,000 is to provide funds to apply waterproof coating to the interior of two cooling towers. The sixth SLA, totaling \$4,000, will provide additional funds for the City's water resource education program. The final two SLAs totaling \$3,375 and \$2,250, respectively, will allow for the upgrading of vehicles currently in the Division's fleet.

Wastewater \$11,594,333

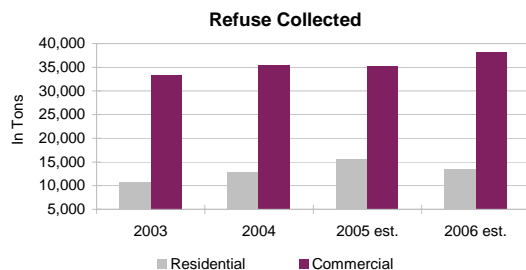
Effective sanitary sewer collection and treatment is essential to public health in an urban environment. Over the last several decades, the standards have increased for this infrastructure. Past upgrades to the Carters Creek Wastewater Treatment Plant were directly related to changing standards. As the system continues to grow, additional capital is needed for line extensions. The existing system will have to be maintained with line replacements and plant enhancements and expansions. Wastewater services are provided as an enterprise function with service related fees paying for the cost of service.

The FY06 Budget includes \$185,922 for four SLAs in the Wastewater Division. The first SLA will provide funding for security system upgrades at the Utility Service Center. The cost of these upgrades will be split between the Water, Wastewater and Electric Utilities. The Wastewater portion of the funding totals \$30,370. A second SLA for \$41,923 will fund one treatment plant operator position. This position will help the Division meet growing demands at the Treatment Plant. An additional \$70,000 is to provide funds related to the increased cost for the purchase of polymer—a critical component of sludge processing. Costs of the polymer have increased considerably in conjunction with the rise of oil prices. The final SLA, totaling

\$48,500, is for the purchase of an off-pavement forklift. The forklift will replace a tractor in the Division's current fleet. In addition, a savings of \$4,871 in rental fees will be realized with the purchase of an excavator in the Water Division.

Sanitation Division \$5,670,558

The Sanitation Division of Public Works provides services that meet the City's solid waste collection needs. These include providing residential containers, curbside recycling, brush and grass clipping collection, street sweeping and the removal of waste that can be disposed of in the landfill or through composting. Commercial services are also provided to local businesses. Commercial service offers collection in small and large receptacles, and is loaded with side mounted automated collection equipment. Customers with greater volumes have the option of using roll-off containers that are serviced by front load collection equipment.



The above graph illustrates volumes, in tons, of refuse collected and disposed of by the Sanitation Division, since FY03.

Two service level adjustments are included in the Sanitation budget for FY06. \$9,940 is to provide funding for a roll-off trash compactor for the Northgate area. \$70,000 is requested to cover the increased cost of the contract with Texas Commercial Waste for the City's curbside recycling program.

Parking Enterprise Fund \$539,170

The Parking Enterprise Fund accounts for parking operations in the City. This includes the parking lot, parking garage, and on-street parking. The budget for FY06 is \$539,170 and includes an SLA in the amount of \$47,000 for a neon parking sign to be installed on the Parking Garage.

Brazos Valley Solid Waste Management Agency (BVSWMA) \$5,685,662

BVSWMA is a cooperative arrangement between the Cities of College Station and Bryan to provide solid waste disposal service. BVSWMA is responsible for running the landfill, developing and implementing

alternative disposal programs for waste that cannot be placed into the current landfill site, and providing for long-term disposal for the two cities and other customers of the agency.

The expenditures include three service level adjustments in the amount of \$83,370. The approved SLAs are \$51,000 for a wireless camera surveillance system; \$15,900 for a diesel engine heavy-duty utility vehicle; and \$16,470 to upgrade a gas vehicle to a diesel SUV. Also included is \$1,720,546 for capital related expenses.

Special Revenue Funds

The City uses a number of other funds to account for various types of activities and programs that do not strictly fall under one of the operating departments.

Hotel/Motel Tax Fund \$2,926,976

The City receives a tax of 7% on room rental rates from persons staying in hotels or motels within the City. The City's use of taxes received from this source is limited by state statutes to support of tourism and a number of other allowable uses specified in the law.

Total anticipated revenues in the fund are \$2.47 million; approved expenditures total \$2.93 million. The FY06 budget includes approximately \$1.63 million for City Operations, including Wolf Pen Creek Operations and other Parks programs and events that are eligible for Hotel/Motel Funds. \$1.2 million is also included for costs associated with the Hotel Conference Center. Outside agency funding and contingency items total approximately \$1.3 million.

Community Development Fund \$3,541,060

The Community Development division administers grant funds received from the federal government. Total expenditures in FY06 total \$3,541,060.

Wolf Pen Creek TIF \$3,208,452

This district generates revenues that must be utilized within the Wolf Pen Creek District. The budget funding is targeted for future Wolf Pen Creek projects. Of the total budgeted amount, \$2,100,000 is earmarked for capital improvements. A significant project budgeted in FY06 is the WPC Amphitheater additions. \$900,000 is budgeted for the addition of an office, performer dressing rooms, storage, ticket window and concession area for the amphitheater. Funds are also included for water feature projects designed to help increase development in the district.

Cemetery Perpetual Care Fund

This fund accounts for the sale of cemetery lots and other revenues that are collected through the College Station cemetery. The fund also accounts for expenditures on projects that take place in the cemetery. There are no expenditures anticipated in this fund in FY06.

Internal Service Funds

The City has established several internal services funds for areas where goods and services are provided to City departments on a cost-reimbursement basis. The Internal Service Funds include Insurance Funds, the Equipment Replacement Fund, Utility Customer Service Fund, Fleet Maintenance Fund, Print/Mail Fund and Communications Fund. Each of these funds receives revenues from City departments to which services are provided. Base budget revenues for the funds reflect the above policies. In the Print/Mail Fund, revenues are transferred as the division completes jobs and bills the expenses back to the division to which services were provided. All other Internal Service funds have revenues transferred from departmental budgets on a monthly basis to ensure that funds are available to fund related expenses.

Insurance Funds

The City of College Station has four funds for insurance purposes. Of the four funds, the property casualty and employee benefits funds are self-funded.

Property Casualty Fund **\$758,202**

The property casualty fund ensures that the City can adequately cover potential property and liability losses. The FY06 revenues for the Property Casualty fund are estimated at \$775,100 and expenditures are estimated at \$758,202.

Employee Benefits Fund **\$4,527,194**

The employee benefits fund is self-funded and provides medical coverage to covered City employees. Estimated revenues for the employee benefits fund total \$5,393,067 for FY06, and estimated expenditures total \$4,527,194.

Workers Compensation Fund **\$694,536**

The workers compensation fund provides coverage against losses sustained through on the job injuries to employees. The FY06 estimated revenues for the Workers Compensation fund are \$771,977; expenditures are estimated at \$694,536. There is one approved SLA for prescription safety glasses totaling \$12,500 to be paid from this fund.

Unemployment Fund **\$30,000**

Revenues in the unemployment fund are estimated to be \$32,641. Expenditures in this fund are expected to be \$30,000.

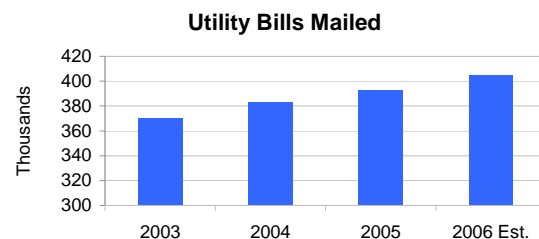
Equipment Replacement Fund **\$2,823,191**

The City has a fund that serves to accumulate resources for the replacement of vehicles and large motorized equipment, the telephone and radio systems, to provide replacement assets for the existing major technological infrastructure, and the replacement of copiers.

Base budget revenues for the fund reflect the above policies. The revenues are transferred from departmental budgets on a monthly basis to ensure that sufficient funds will be available to fund expenses related to the specific functions. The approved FY06 total revenues are \$3,396,568; the total expenditures are \$2,823,191.

Utility Customer Service Fund **\$2,418,261**

The Utility Customer Service Division is the primary contact with the City's utility customers. Responsibilities include setting up customer accounts, connecting and disconnecting utility services, reading meters, billing and collecting utility customer accounts and addressing customer concerns. The division has three SLAs totaling \$37,024. The first SLA has a savings of \$35,702 and will result in a reorganization of the Key Accounts position. Key Accounts duties will be distributed within the department and some of the funding will be used for materials needed for key accounts coordination. The second SLA is for \$38,726 to fund an additional half-time Meter Services Field Representative. This SLA includes funding for the salary and benefits, as well as the vehicle needed to perform meter services duties. The third SLA is for \$34,000 to cover the cost of accepting credit card payments from customers.



The above chart demonstrates the steady growth in the number of utility bills mailed annually by Utility Customer Service.

Fleet Maintenance Fund **\$1,537,326**

In FY06, revenues in the Fleet Fund are projected to increase by 2.34%. This increase is from the transfers from the various operating departments for services provided by fleet. The FY06 approved expenditures are \$1,537,326, a decrease of 4.53% from the prior fiscal year. There are three SLAs totaling \$22,200. First, \$5,000 is approved for training vehicle technicians. Training is needed to maintain technical expertise necessary to work on modern equipment. Second, \$5,200 is approved for computer software used in the diagnosis of vehicles. Lastly, \$12,000 is approved to upgrade the heavy equipment and truck wash. This wash is used every day to maintain the cleanliness and extend the life of the fleet.

Print/Mail Fund **\$453,216**

The Print/Mail Division is responsible for providing printing, copying, banner and sign making, vehicle decal creation and placement and mail services to City Departments. The total budgeted revenues for FY06 are \$428,556, a decrease of 4.11% over the FY05 budget. The approved FY06 budget for the division is \$453,216. This includes two SLAs in the amount of \$36,938. The first SLA is for \$16,938 to fund an additional part-time Mail Clerk; the second, for \$20,000, will increase the supplies budget.

Communications Fund **\$720,634**

The Communications Division is responsible for the implementation and maintenance of the network infrastructure, telephone, voice radio, data radio (mobile data) and paging systems and any other system requiring connectivity for communications. Revenues in this fund are projected to increase 5.11% from the revised budget of FY05. Revenues are expected to be \$746,640 in FY06. The approved FY06 budget for the Communications Division is \$720,634.

Capital Projects Funds

The City has a number of capital project funds. General obligation bonds form the basic resource for general government projects such as streets, parks, traffic, public facilities and other such needs. However, the City has several other resources that may be used to supplement those resources and help to hold down the ad valorem taxes necessary to pay for general obligation bonds.

In addition to the general government projects, the City has bond funds for each of the utilities operated by the City. Operating funds from both the Water and

Wastewater Funds will be used to fund \$3,000,000 in capital projects.

Other resources to fund capital projects include the Wolf Pen Creek Tax Increment Financing District, the Drainage Utility and Parkland Dedication Funds. Each provides resources that will be used to complete a number of projects over the next five years. Community Development funds will also be used to fund certain street projects in eligible areas and park projects in the Tarrow Park and Lincoln Center area.

General Capital Projects

The following is a brief summary of some of the key general government projects scheduled for FY06.

Streets Capital Projects **\$4,982,802**

Street Rehabilitation Projects

In FY06, \$2,166,120 is approved for rehabilitation to streets in the Southside area. This is a multi-year effort to rehabilitate the infrastructure in older parts of College Station. Additionally, in the Northgate area, funds will be used for phase II of the Church Street rehabilitation project and for rehabilitation efforts on Tauber and Stasney.

Street Extension Projects

\$2,040,000 is budgeted in FY06 for various street extensions and widening projects. This includes \$1,000,000 for improvements to Barron Road. An additional \$540,000 is budgeted for oversize participation efforts throughout the City as authorized in the 2003 bond election. \$3,463,237 is projected in FY06 for phase II of the extension of Dartmouth Drive and \$500,000 is projected for the Rock Prairie Road Widening project.

These street projects will help to address traffic issues that have been highlighted in the citizen survey and other feedback received from College Station citizens.

Street TxDOT Projects

Working in cooperation with the Texas Department of Transportation, in FY06, the City expects to complete the medians on George Bush Drive.

TxDOT timing on projects will determine when these expenditures will be made. The City pays ten percent of right-of-way costs, and also pays for any enhancements, such as the application of any streetscaping desired in the project.

Traffic Projects

In FY06, funds have been approved for traffic signal enhancements including new traffic signal projects. New signals are being constructed at the intersections of Rock Prairie Road and Rio Grande and at Welsh and Holleman. Funds for safety improvements to the traffic system are also approved for FY06.

Sidewalks and Trails Projects

The City of College Station has worked over the years to ensure adequate transportation infrastructure for pedestrians and bicyclists. The City has an adopted sidewalk and bike loop plan. In FY06, \$100,000 is approved for new sidewalk projects throughout the City. In addition, \$200,000 is budgeted for hike and bike trails.

Parks Capital Projects \$7,141,873

In FY06 the second phase of Veterans Park will begin. \$6,235,000 is estimated to be spent over the next two fiscal years for this project. Other parks projects for which funds have been approved in FY06 include the development of University Park and the construction of a new forestry shop. It has been projected that funds will also be used for Steeplechase Park and for the Lincoln Center's Splash Park.

Parkland Dedication Capital Projects \$692,722

Parkland dedication funds can be used for projects in neighborhood parks within the various park zones. These funds come from a dedication required as new development occurs in College Station. In FY06, \$692,722 has been budgeted for projects that are anticipated will be completed in the various park zones.

General Government & Capital Equipment Capital Projects \$3,390,199

General government and capital equipment projects are planned assets that have value to more than one specific area of City operations. The two main divisions within this category are public facilities and technology projects.

In FY06, it is projected that \$7,624,401 will be spent on public facilities. Included in this amount is \$3,325,000 for the addition to the police station; \$1,489,401 for the relocation of Fire Station #3; and \$2,170,000 for a new City cemetery. In addition, \$625,000 is projected for projects are planned in the Northgate area. These include entry features, a water feature and public restrooms.

It is estimated that \$874,612 will be spent on technology projects in FY06. These include \$160,000 for automated citations, \$453,172 for ATM network replacement and \$40,000 for a kiosk that citizens can use to pay utility bills and fines. Also budgeted is \$100,000 for the replacement of the City's radios. It is estimated that the total of this project will be \$4,900,000. The initial \$100,000 will be used to study system needs.

Convention Center \$1,035,000

Funds have been appropriated in FY06 for the Convention Center. Funds not expended in FY06 will roll over and be available for future uses.

Business Park Projects \$1,363,945

In FY06 it is estimated that \$1,214,400 will be spent on a technology-based business incubator. In collaboration with the Bryan Business Council and the Research Valley Partnership, this project will help to support and generate the start up of new companies in the community. Funds are also projected for the continuation of the development of the Spring Creek Corporate Campus. \$1,309,000 has been budgeted in FY06 for this effort.

Utility Capital Projects

The following is a brief summary of some of the utility capital projects scheduled for FY06. These capital projects are funded either through existing revenues from these funds or through the issuance of utility revenue bonds.

Electric Capital Projects \$14,227,272

\$14,227,272 is the approved expenditure amount for electric capital projects in FY06. As the electric capital projects are considered a competitive matter, details of these projects cannot be outlined in this summary, but were provided to City Council.

Water Capital Projects \$8,653,368

In FY06, \$13,515,161 is the projected expenditure for water capital projects. Included is \$1,900,000 for the construction of three shallow wells that will allow water production to meet projected peak demand capacity. Funds have been projected for the three additional shallow wells to be constructed over the next two fiscal years. The shallow wells will sustain production levels until a deep well can be constructed. Other significant production projects include the replacement of the chlorine disinfection system at the Dowling Road Pump Station. It is estimated that \$2,452,000 will be spent over the next two fiscal years for this project. In addition, it is

estimated that \$1,211,000 will be spent on water plant security upgrades in FY06 and FY07.

Significant distribution projects include \$540,000 projected for FY06 for the Wellborn Road Widening project. The total cost of this project is anticipated to be \$2,740,000, but it is expected that the City will be partially reimbursed by TxDOT for the cost of this project upon completion. \$2,302,000 is projected to be spent in FY06 for the extension of water service into areas annexed in recent years. These extensions include Rock Prairie/Bird Pond, Arrington Road, Barron Road and Lick Creek/Rock Prairie.

Rehabilitation projects projected for FY06 include \$100,000 for the replacement of the Barron Road water line and meters in conjunction with the upgrade of Barron Road to a minor arterial. \$267,554 is budgeted for FY06 for the relocation of water lines along Texas Avenue as a result of the TxDOT widening project. Additionally, \$3,119,095 is projected in FY06 and FY07 for Southside rehabilitation projects.

The Approved FY06 Budget includes \$1,000,000 in current revenues that will be transferred from operations to fund water capital projects. Additionally, a debt issue of \$6,000,000 is projected for issuance in FY06 for water capital projects.

Wastewater Capital Projects \$3,652,106

The FY06 Approved Budget includes \$7,454,628 in projected expenditures for numerous wastewater capital projects. Collection projects include \$468,000 for phase I of the Northeast Trunk Expansion. This project will replace the sewer line at Highway 6 near the FM 60 interchange and will have a total cost of \$715,500. Funds are also projected in FY06 for the Lick Creek Parallel Trunk Line. \$250,000 is projected to be spent in FY06 for this project. An additional \$1,000,000 is projected for FY07 and \$1,750,000 for FY08. \$566,000 is approved in FY06 for recently annexed areas.

\$500,000 is projected in FY06 for the completion of the replacement of the Carters Creek Screw Lift System. Consistent with the Water capital projects, significant funds are projected for Southside sewer upgrades in FY06 and in future years.

Treatment and disposal projects include an approved \$550,000 in FY06 and FY07 for odor control improvements at the Carters Creek Treatment Plant. \$550,000 is also projected over the next two fiscal years for UV treatment improvements at the plant. It is estimated that \$652,000 will be spent in FY06 for

sludge processing improvements and an additional \$50,000 is budgeted in FY06 for sludge facility improvements. Other approved improvements include the replacement of the SCADA system and the construction of a dedicated maintenance building.

A total of \$2,000,000 in current revenues from operations is approved to be used to fund wastewater capital projects. Additionally, a debt issue of \$3,000,000 is projected for issuance in FY06 for wastewater capital projects.

Drainage Capital Projects \$1,814,732

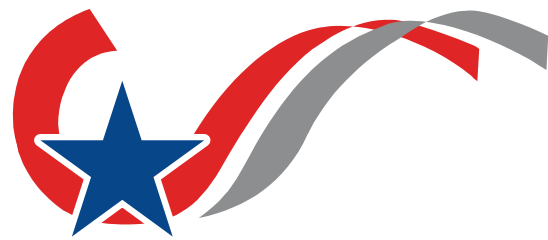
The Approved FY06 drainage capital projects budget includes a projected \$4,600,613 for improvements to the City's drainage system. Significant projects include a projected \$1,959,898 for improvements to the Bee Creek main channel. Consistent with the other capital funds, \$945,000 is approved to be spent in FY06 and in FY07 for Southside drainage improvements. Funds are also approved for drainage improvements on Wolf Pen Creek. Additionally, \$210,000 is approved for a drainage detention project on University Drive.

Additional O&M Costs

With the addition of new facilities and infrastructure, additional operations and maintenance costs may be incurred. In the case of infrastructure rehabilitation, it is expected that O&M cost will decrease for those areas the project targeted. However, it is difficult to quantify the cost savings of rehabilitation since resources are used elsewhere and not removed from departmental budgets.

Conclusion

The previous discussion provided an overview of the approved FY06 budget and key changes from the FY05 budget. A full version of the Approved Annual Budget is available for download at <http://www.cstx.gov>, at the Larry J. Ringer Library (1818 Harvey Mitchell Pkwy) or in the City Secretary's Office.



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